

December 20, 2000

ALLIED BENEFICIARY BILLING

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides changes to the instructions for billing of Allied Beneficiaries. **NOTE:** *Billing instructions contained in M-1, Part I, Chapter 24 are no longer valid.*

2. POLICY: It is VHA policy that the billing procedures contained within this VHA Directive will be used when billing for medical care and treatment provided to Allied Beneficiaries. Effective October 1, 1999, reimbursements received from Allied Beneficiary billing will be deposited into the medical care account of the medical center providing the medical care and treatment.

3. ACTION

- a. The procedures as outlined in this directive will be effective October 1, 1999.
- b. The Tortiously Liable Billing rates in effect for the time period when treatment was provided will be used for preparing Allied Beneficiary bills.
- c. All reimbursements received from Allied Beneficiary billing will be deposited into the annual medical care account that is current at the time the deposit is made. This deposit instruction is referenced in Title 38 United States Code (U.S.C.), Section 109(a)(3).
- d. Eligibility and entitlement for treatment of Allied Beneficiaries within the Department of Veterans Affairs (VA) is addressed in M-1, Part I, Chapter 24.
- e. Veterans Affairs Canada is responsible for the medical care of eligible beneficiaries of Canada, Australia, New Zealand and South Africa. Procedures for billing are contained in Attachment A.
- f. The War Pensions Directorate of the British Department of Social Security is responsible for medical care of eligible beneficiaries of Great Britain and Northern Ireland. Procedures for billing are contained in Attachment B.
- g. Procedures for billing other Allied Beneficiaries are contained in Attachment C.

4. REFERENCE

- a. VHA Manual M-1, Part I, Chapter 24.
- b. Title 38 U.S.C., Section 109(a)(3).

5. FOLLOW-UP RESPONSIBILITY: The VHA Chief Financial Officer (174) is responsible for the contents of this directive.

THIS VHA DIRECTIVE EXPIRES SEPTEMBER 30, 2004

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6. RESCISSIONS: VHA Directive 99-044 is rescinded. This VHA Directive expires September 30, 2004.

S/ by Frances Murphy, M.D. for
Thomas L. Garthwaite, M.D.
Under Secretary for Health

Attachments

DISTRIBUTION: CO: E-mailed 12/22/2000
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ATTACHMENT A

BILLING PROCEDURES FOR CANADA

1. Veteran Affairs Canada is responsible for the medical care of eligible beneficiaries of Canada, Australia, New Zealand, and South Africa. **NOTE:** Refer to M-1, Part I, Chapter 24, for eligibility and other administrative procedures for Allied Beneficiaries.
2. A complete itemized statement covering medical and dental services and/or supplies furnished to Allied Beneficiaries will be prepared on a Universal Billing Form (UB)-92 once eligibility has been established authorizing the care. Copies of authorization, notice of award, or other documents used in determining eligibility will accompany the UB-92. In some instances, copies of medical records documenting the care and treatment provided may be required with the submission of the UB-92.
3. The UB-92 should be clearly marked to show the medical center name and address submitting the bill. The name and phone number of a contact person should also appear on the bill. The UB-92 will be accurately completed to reflect all inpatient episodes of care (with admission and discharge date) or outpatient encounters (with dates of service) being billed. In computing patient days for payment purposes, charges will be made for the date of admission but not for the date of discharge. Charges will not be made for periods of 24 or more consecutive hours of absence. The diagnosis(es) treated and any procedures performed during the inpatient episode of care will be coded with the appropriate International Classification of Diseases (ICD-9-CM) code. For outpatient encounters, the diagnosis(es) treated and procedures performed will be coded with the appropriate ICD-9-CM. Procedures performed on an outpatient basis will be coded with ICD-9-CM codes and not Current Procedural Terminology (CPT-4) codes.
4. The UB-92 will be prepared for the signature of the office assigned responsibility for the Allied Beneficiary billing. This person will be designated as the point of contact for any follow-up action that may be required by the foreign government to adjudicate the claim for reimbursement. The facility's accounting section will enter the bill using a revenue source code of either 8050 (Inpatient) or 8051 (Outpatient). The revenue source code is needed to identify Allied Beneficiary transactions. Regardless of the Fiscal Year (FY) in which the bill was established, this new procedure provides for collections to be recorded in the most current year of the appropriation. For example, a bill prepared in FY 1999 that is collected in October 1999 will be recorded as a FY 2000 collection. The funds collected will be budgetary resources in FY 2000. Each fiscal year, during the annual closing process, outstanding bills identified with revenue source codes 8050 and 8051 will be rolled into the new annual appropriation. Subsequent collections will then be recorded in the new budget fiscal year when the receivable is offset.
5. Billings will be made on a quarterly basis. If the level of this billing activity exceeds twenty-five claims per month, then monthly submissions of claims will be initiated.
6. Claims will no longer be mailed to Veterans Health Administration (VHA) Headquarters for Canadian Allied Beneficiaries. Claims will be mailed directly to the following address:

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Veterans Affairs Canada
Foreign Countries Operations
66 Slater Street, Suite 1405
Ottawa, Ontario K1A 0P4 Canada

7. Checks will be sent directly to the medical center submitting the claim to Canada. When the check is received from the foreign government, it will be deposited into the medical care account that is current at the time the deposit is made. As an example, if a check is deposited on September 30, 1999, the deposit will be recorded to 3690160. If a check is deposited on October 1, 1999, the deposit will be recorded to 3600160. When the reimbursement is recorded in the accounting records, it will be picked up and funded with the other reimbursements. **NOTE:** *This deposit instruction is referenced in Title 38 United States Code (U.S.C.), Section 109(a)(3).*

8. When payment by the responsible government has been declined, the Allied Beneficiary or the beneficiary's survivor or estate will be billed for services and/or supplies as an ineligible person.

9. Questions regarding these procedures may be addressed to Director, Policies and Procedures, Revenue Office (174), VHA Headquarters at 202-273-8198.

ATTACHMENT B

BILLING PROCEDURES FOR GREAT BRITAIN

1. The War Pensions Directorate of the British Department of Social Security is responsible for medical care of eligible beneficiaries of Great Britain and Northern Ireland. **NOTE:** *Refer to M-1, Part I, Chapter 24, for eligibility and other administrative procedures for Allied Beneficiaries.*
2. A complete itemized statement covering medical and dental services and/or supplies furnished to Allied Beneficiaries will be prepared on an Universal Billing Form (UB)-92 once eligibility has been established authorizing the care. Copies of authorization, notice of award, or other documents used in determining eligibility will accompany the UB-92. In some instances, copies of medical records documenting the care and treatment provided may be required with the submission of the UB-92.
3. The UB-92 should be clearly marked to show the medical center name and address submitting the bill. The name and phone number of a contact person should also appear on the bill. The UB-92 will be accurately completed to reflect all inpatient episodes of care (with admission and discharge date) or outpatient encounters (with dates of service) being billed. In computing patient days for payment purposes, charges will be made for the date of admission but not for the date of discharge. Charges will not be made for periods of 24 or more consecutive hours of absence. The diagnosis(es) treated and any procedures performed during the inpatient episode of care will be coded with the appropriate International Classification of Diseases (ICD-9-CM) code. For outpatient encounters, the diagnosis(es) treated and procedures performed will be coded with the appropriate ICD-9-CM. Procedures performed on an outpatient basis will be coded with ICD-9-CM codes and not Current Procedural Terminology (CPT-4) codes.
4. The UB-92 will be prepared for the signature of the office assigned responsibility for the Allied Beneficiary billing. This person will be designated as the point of contact for any follow-up action that may be required by the foreign government to adjudicate the claim for reimbursement.
5. Billings will be made on a quarterly basis. If the level of this billing activity exceeds twenty-five claims per month, then monthly submissions of claims will be initiated.
6. Claims will be mailed to Veterans Health Administration Headquarters for British Allied Beneficiaries. Claims will be mailed to the following address:

Department of Veterans Affairs
VHA Revenue Office (174), Attn: Director, Policies and Procedures
810 Vermont Avenue, N.W.
Washington, DC 20420
7. VHA Headquarters will coordinate the mailing of claims to England. When the claims have been adjudicated by the War Pensions Agency, notification will be sent to the VHA Revenue Office staff. The Austin Finance Center, Financial Accounting Services Division will record Allied Beneficiary wire transfer deposits in station suspense accounts upon receipt through

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CASHLINK and upon receipt of station distribution amounts from VHA Revenue Office staff. A Cash Receipt (CR), transaction type 24 will record the deposit. Upon receipt in their suspense accounts, facilities should do one of the following:

a. To send the reimbursement directly to the appropriation: transfer the funds using a two-line TR transaction:

Line (1) TR 24 36F3875

Line (2) TR 75 3600160 (or current year)

Revenue Source Code 8050 or 8051.

b. To offset a receivable: use a two-line TR transaction:

Line (1) TR 24 36F3875

Line (2) TR 75 Referencing Receivable.

8. Facilities will use a revenue source code of either 8050 ((Inpatient) or 8051 (Outpatient). The revenue source code is needed to identify allied beneficiary transactions. Regardless of the Fiscal Year (FY) in which the bill was established, this new procedure provides for collections to be recorded in the most current year of the appropriation. For example, a bill prepared in FY 1999 that is collected in October 1999 will be recorded as a FY 2000 collection. The funds collected will be budgetary resources in FY 2000. Each fiscal year, during the annual closing process, outstanding bills identified with revenue source codes 8050 and 8051 will be rolled into the new annual appropriation. Subsequent collections will then be recorded in the new budget fiscal year when the receivable is offset.

9. When payment by the responsible government has been declined, the Allied Beneficiary or the beneficiary's survivor or estate will be billed for services and/or supplies as an ineligible person. VHA Headquarters will notify the medical center of the payment denial and will instruct the medical center to prepare a bill for the beneficiary.

10. Questions regarding these procedures may be addressed to Director, Policies and Procedures, Revenue Office (174), VHA Headquarters at 202-273-8198.

ATTACHMENT C

BILLING PROCEDURES FOR OTHER ALLIED BENEFICIARIES

NOTE: Any VA facility approached directly for foreign national medical care will immediately contact VA Central Office, Health Administration Service (10C3), for assistance.

1. Billings will not be prepared for care and services furnished to Czechoslovakian and Polish veterans unless information is subsequently received that these veterans are entitled to payment for equivalent care and services under a program established by the foreign government concerned. **NOTE:** Refer to M-1, Part I, Chapter 24, for eligibility and other administrative procedures for Allied Beneficiaries.
2. Foreign national beneficiaries are veterans of nations that were not allied with the United States during World War (WW) I and WW II. **NOTE:** Refer to M-1, Part I, Chapter 24, for eligibility and other administrative procedures for Foreign Nationals.
3. The foreign nationals' government, with the assistance of the State Department, contract to reimburse the Department of Veterans Affairs (VA) for the actual cost of the care to be provided.
4. VA medical centers prepare an estimate of the projected costs of the care to be provided. The estimate is based on the reasonable charges for the care at the facility. This information will be sent to the VHA Office of Revenue (174), Attn: Director, Policies and Procedures, 810 Vermont Avenue NW, Washington, DC 20420.
5. The foreign government forwards to the treating facility the total estimated amount for providing the care, in advance of the patient's admission.
6. Once the patient is admitted, a bill will be prepared on a monthly basis using the UB-92 itemizing actual costs for prosthetic items, ambulance travel, etc., and will be forwarded to the Chief, Fiscal Service, at the VA facility.
7. The Chief, Fiscal Service will route the necessary reimbursement documents to VHA Office of Revenue (174), Attn: Director, Policies and Procedures, 810 Vermont Avenue, NW, Washington, DC 20420, for submission to the patient's embassy or person(s) responsible for payment of the incurred expenses.
8. The VHA Office of Revenue (174) will submit copies of the statements to the appropriate embassy upon request and make arrangements with embassy officials for additional funds when the estimated costs fall short of actual expenses. Conversely, should funds received from the foreign government exceed the actual expenses for the care provided, the treating medical center will prepare the necessary refund documents through the Agent Cashier.

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9. Should payment of additional costs by the responsible government be declined, the State Department is advised and asked to assist in expediting the matter. If necessary, the foreign national or the survivor of the estate will be billed for services and/or supplies as an ineligible person.